

To help provide a better understanding of the different employee housing restrictions and related housing covenants, this document presents an overview of the evolution of the resale and rental restrictions by employee housing project.

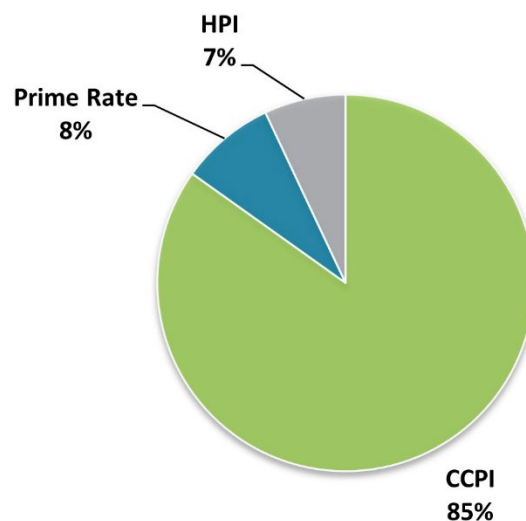
Since the creation of the Employee Housing Program in Whistler, three different appreciation formulas and associated covenants have been used to calculate the resale value and rental rate of employee restricted homes. Since 2006, the Core Consumer Price Index (CCPI) is the current appreciation formula used for calculating the resale value of employee restricted homes. The housing covenant that updated the CCPI appreciation formula for employee units also updated the rental restrictions on the employee homes limiting tenanting of the units to a maximum time limit of up to six months less a day out of each calendar year.

To help provide clarity on the evolution of the employee housing appreciation formulas and related covenants this document provides an overview of the history of the resale and rental restrictions by project.

Resale Restriction History

Prior to 2006, the **RBC Prime Rate** and the **Vancouver Housing Price Index (HPI)** were the appreciation formulas used for calculating the resale price of employee restricted units. In 2006 when the new **Core Consumer Price Index (CCPI)** formula was adopted by RMOW Council, all subsequent new sales and resales in every price restricted employee housing project, at the time of resale, began using the CCPI appreciation formula.

Figure 1: % of Employee Housing Price Restricted Inventory by Appreciation Formula (as of January 2024)



Currently, 85% of the employee housing price restricted inventory is tied to the Core Consumer Price Index. (This figure does not include Single Family homes in Spruce Grove, Barnfield or Lakecrest.)

As resales take place and the appreciation formulas are updated to CCPI in the newer housing covenants, the number of units on the older appreciation formula falls and the percentage of units on the updated formula increases. The table below shows which employee housing price restricted properties were originally tied to which appreciation formulas and the percentage of units that remain tied to the older appreciation formulas through the original covenants.

Project	Year Built	Original Appreciation Formula	% of Project now on Current Covenants (CCPI)	# of Units on Original Covenant
Millar's Ridge	1997	Prime Rate Formula	54%	39
Gondola Six	1997	Prime Rate Formula	92%	1
Glacier Ridge	1998	Prime Rate Formula	41%	13
Spruce Grove	1998	Prime Rate Formula	40%	25
Cascade Lodge	1998	Prime Rate Formula	100%	-
19 Mile Creek	2000	Housing Price Index	68%	25
Nesters Square	2001	Housing Price Index	0%	4
Beaver Flats	2001	Housing Price Index	25%	9
Bear Ridge	2003	Housing Price Index	71%	29
The Glades	2003	Housing Price Index	100%	-
Nita Lake	2006	Core Consumer Price Index	100%	-
The Lofts	2007	Core Consumer Price Index	100%	-
Lakecrest	2007	Core Consumer Price Index	100%	-
Fitzsimmons Walk	2009	Core Consumer Price Index	100%	-
Cheakamus Crossing	2009	Core Consumer Price Index	100%	-
Rainbow	2009	Core Consumer Price Index	100%	-
Cedar Springs	2013	Core Consumer Price Index	100%	-
Solana	2015	Core Consumer Price Index	100%	-
1340 & 1360 Mnt Fee	2022	Core Consumer Price Index	100%	-
All*			85%	145

*not including Single Family homes in Spruce Grove, Barnfield, or Lakecrest

Resale Restriction by Type

The information below provides an overview of the different appreciation formulas and the rationale for their change over time.

Prime Rate Appreciation Formula:

The first appreciation formula was introduced in 1997 and was tied to the Royal Bank of Canada (RBC) Prime Lending Rate. This appreciation formula was originally applied to Millar's Ridge, Gondola Six, Glacier Ridge, Spruce Grove townhouses and the lots for the single family homes in Barnfield and Spruce Grove. The original rationale for using this formula was to equate or possibly exceed the likely return that a homeowner would receive if their equity was invested in a GIC or similar conservative investment vehicle.

Housing Price Index Appreciation Formula:

The second appreciation formula, adopted in 2000, was tied to the Greater Vancouver Housing Price Index (HPI). The objective for indexing the appreciation formulas of the employee housing inventory to a broad regional housing market was to have the employee housing units appreciate with regional housing prices that represented sale prices directly associated with housing in the Greater Vancouver area. Theoretically, this would allow households from the Lower Mainland moving to Whistler to purchase into Whistler's employee restricted housing inventory, and vice versa, at a price that was comparable to what they could have afforded in the Lower Mainland. 19 Mile Creek, Bear Ridge and Beaver Flats were originally tied to the HPI appreciation formula. Due to unexpected real estate escalation in the Greater Vancouver area in the early 2000's, the resale price of these HPI units appreciated at an unpredicted and unaffordable accelerated rate. Within a few years of its application in the employee housing inventory, there was grave concern that the price restricted units tied to the HPI formula were quickly becoming unaffordable and out of reach of Whistler's local workforce.

Canadian Core Consumer Price Index Formula:

The third and current appreciation formula being applied to the employee housing price restricted inventory is the Core Consumer Price Index (CCPI). This index was chosen through extensive community engagement, including the Whistler 2020 Sustainability Task Force Process and working with senior economists and advisors at Canada Mortgage and Housing Corporation. The impetus for the utilization of yet another appreciation formula was the concern that the units tied to the HPI formula had reached unaffordable levels for many local employees. It was acknowledged by the community that the provision of a home and the retention of future affordability of the employee restricted inventory were paramount to the success of Whistler's Employee Housing Program and the ability to attract and retain employees for Whistler's workforce. Through the community consultation phase, it was requested that the new formula be simple to comprehend and that the formula result in a modest but consistent appreciation year to year, reflecting annual inflation. In order to create consistency amongst the employee restricted inventory, it was decided in 2006 that every subsequent employee restricted property resale, and every new employee restricted unit created, would use the CCPI appreciation formula. Rental Restrictions for Employee Restricted Units

In addition to the new CCPI appreciation formula, in 2006 the housing covenants were updated to include revised restrictions on the rental of employee restricted units. While previous covenants permitted owners to rent their units for an unlimited length of time to Whistler employees, the covenants since 2006 restrict the rental of employee restricted homes to no longer than 6 months less a day out of each calendar year.

Currently 85% of employee restricted units have restrictions limiting the length of time their unit can be rented. However, original homeowners who purchased their unit at Millar's Ridge, Gondola Six, Glacier Ridge, Spruce Grove, 19 Mile Creek, Beaver Flats or Bear Ridge prior to 2006 can still rent their units for any duration of time.

The following table provides a breakdown of the different restrictions that have evolved as the employee housing inventory has grown over time.

	Prime Rate Original Owners:	HPI – Original Owners:	CCPI – Original Owners & all Resales:
Resale Appreciation Formula <i>(As discussed above)</i>	<i>Millar's, Glacier, Gondola Six, Spruce Grove</i>	<i>19 Mile, Bear Ridge, Beaver Flats, The Glades, Nesters Square</i>	<i>The Lofts & Nita Lake, Lakecrest, Fitzsimmons, Cheakamus, Rainbow & all resales of older projects since mid-2006</i>
Original Monthly Rental Rate	Fixed \$ amount per rented room per month <i>Millar's, Gondola Six</i>	\$1.25 per sq.ft per month (<i>starting rent</i>) <i>Glacier, Spruce Grove, 19 Mile, Bear Ridge, Beaver Flats, The Glades, Nesters Square</i>	\$1.35 per sq.ft per month (<i>starting rent</i>) <i>The Lofts & Nita Lake, Lakecrest, Fitzsimmons, Cheakamus, Rainbow, & all resales of older projects since mid-2006.</i> <i>\$2.75 per sq ft for 1340 & 1360 Mount Fee Road.</i>
Annual Rental Appreciation Formula	Prime Rate formula <i>Millar's, Glacier, Gondola Six, Spruce Grove</i>	% change in CPI <i>19 Mile, Bear Ridge, Beaver Flats, The Glades, Nesters Square</i>	% change in CCPI <i>The Lofts & Nita Lake, Lakecrest, Fitzsimmons, Cheakamus, Rainbow. & all resales of older projects since mid-2006</i>

	Prime Rate - Original Owners:	HPI – Original Owners:	CCPI – Original Owners & all Resales:
Rental Duration	Under original covenant, unlimited length of time. <i>Millar's, Glacier, Gondola Six, Spruce Grove, 19 Mile, Bear Ridge, Beaver Flats, The Glades, Nesters Square</i>		Owner must occupy unit for 6 months + 1 day out of each calendar year. <i>The Lofts & Nita Lake Lakecrest, Fitzsimmons, Cheakamus, Rainbow, & all resales of older projects since mid-2006</i>
Breach of Covenant Financial Penalty Fee	\$100 per day plus Appreciation <i>Millar's, Glacier, Gondola Six, Spruce Grove, 19 Mile, Bear Ridge, Beaver Flats, The Glades, Nesters Square</i>		\$500 or \$700 per day plus Appreciation <i>The Lofts & Nita Lake, Lakecrest, Fitzsimmons, Cheakamus, Rainbow & all resales of older projects since mid-2006.</i> <i>\$700 per day for 1340 & 1360 Mount Fee Road</i>
Capital Improvements	By Appraisal with consideration of Policy <i>Millar's, Glacier, Gondola Six, Spruce Grove, 19 Mile</i>	Requires a Building Permit <i>Bear Ridge, Beaver Flats, The Lofts & Nita Lake, Lakecrest, Fitzsimmons, Cheakamus, Rainbow, Solana, The Glades, Nesters Square, & all resales of older projects since mid-2006</i>	

The specific employee housing project covenants and their restrictions can be viewed on the Whistler Housing Authority website at: <https://whistlerhousing.ca/pages/legal-documents>.